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4 **UNITED STATES DISTRICT COURT**
5 **DISTRICT OF NEVADA**
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7 ABEL CANTARO CASTILLO, et al.,

8 Plaintiffs,

9 vs.

10 WESTERN RANGE ASSOCIATION, et al.,

11 Defendants.
12

3:16-cv-00237-RJC-VPC

ORDER

13 Pending before the Court is the Joint Motion for Approval of Settlement Agreement and
14 for Dismissal with Prejudice (ECF No. 160). Plaintiff Alcides Inga Ramos (“Inga”) and
15 Defendants John Estill and Estill Ranches, LLC (collectively “Estill”) and Mountain Plains
16 Agricultural Service (“MPAS”), jointly move for an order approving a settlement agreement and
17 mutual release between Inga, Estill and MPAS, and for dismissal with prejudice. Because this
18 Court lacks subject matter jurisdiction, it cannot approve the proposed settlement agreement.
19 Consequently, the Joint Motion is granted in part and denied in part.

20 “It is a fundamental precept that federal courts are courts of limited jurisdiction.” *Owen*
21 *Equip. & Erection Co. v. Kroger*, 437 U.S. 365, 374 (1978). Accordingly, the presumption is
22 “they are without jurisdiction unless the contrary affirmatively appears.” *Meneses v. U-Haul*
23 *Int’l, Inc.*, No. C-11-03615 DMR, 2012 WL 669518, at *4 (N.D. Cal. Feb. 29, 2012) (citing
24 *Owen*, 437 U.S. at 374). Subject matter jurisdiction is a perquisite requirement that may not be

1 waived. *Bender v. Williamsport Area Sch. Dist.*, 475 U.S. 534, 541 (1986). Federal courts “have
2 only the power that is authorized by Article III of the Constitution and the statutes enacted by
3 Congress pursuant thereto. For that reason, every federal . . . court has a special obligation to
4 “satisfy itself [that jurisdiction exists].” *Id.* Here, the Court is not satisfied that it has subject
5 matter jurisdiction.

6 As the parties recognize in their joint Motion, the Court has twice dismissed this action
7 for lack of subject matter jurisdiction. Specifically, this Court held:

8 Following Plaintiffs’ amendment of their pleading, the Court remains unsatisfied
9 that the requirements of diversity jurisdiction under 28 U.S.C. § 1331(d) (CAFA)
are met.

10 . . .

11 In its prior order dismissing this case, the Court concluded that it is Plaintiffs’
12 burden to establish the legal possibility that they and their proposed classes might
recover more than \$5 million. (Order 13–14, ECF No. 107.)

13 . . .

14 It is apparent to the Court that Plaintiffs rely on certain unreasonable assumptions
15 and inferences in alleging that the requirements of CAFA are satisfied. Moreover,
16 and more significantly, Defendants have presented evidence in the form of signed
17 declarations which demonstrate the unreasonableness of Plaintiffs’ class-wide
18 assumption that every shepherd is entitled to 24/7 compensation for every day of
19 every year, and Plaintiffs have proffered no evidence in response. Under Ninth
Circuit precedent, CAFA’s requirements should be tested “by consideration of real
evidence and the reality of what is at stake in the litigation, using reasonable
assumptions.” *Ibarra*, 775 F.3d at 1198. Accordingly, Plaintiffs have not persuaded
the Court that the requirements of CAFA are met here, and this action must be
dismissed for lack of subject matter jurisdiction.

20 (Order 5:13–5:14, 6:9–6:11, 11:2–11:11, ECF No. 140.) In their present Motion, the parties have
21 not provided any new evidence that this Court possess subject matter jurisdiction. In fact, the
22 parties do not even allege or argue that the Court has jurisdiction. Accordingly, the Court is
23 unable to conclude that subject matter jurisdiction exists here.

1 Without subject matter jurisdiction, the Court cannot approve the proposed settlement
2 agreement. *See Reed Elsevier, Inc. v. Muchnick*, 559 U.S. 154, 170 (2010) (analyzing the
3 jurisdiction of a district court to approve a settlement); *In re 350 Encinitas Investments, LLC*,
4 313 F. App'x 70, 72 (9th Cir. 2009) (requiring subject matter jurisdiction for a bankruptcy court
5 to approve a settlement); *Hudson v. Grand Deposit Min. Co.*, 458 F.2d 1202, 1205 (9th Cir.
6 1972) (stating that a court had authority to approve a settlement agreement because it possessed
7 subject matter jurisdiction and appellants actively participated); *Wright v. Special Logistics*
8 *Portland, LLC*, No. 3:15-CV-02058-SB, 2018 WL 358497, at *1 (D. Or. Jan. 10, 2018) (denying
9 a joint motion for approval of a settlement agreement where the court lacked subject matter
10 jurisdiction); *Ikuseghan v. Multicare Health Sys.*, No. 3:14-CV-05539-BHS, 2016 WL 3976569,
11 at *5 (W.D. Wash. July 25, 2016) (stating that the court had subject matter jurisdiction over the
12 claims in the complaint to approve the settlement agreement); *Douglas v. Arcadia Health Servs.*,
13 *Inc.*, No. CV-11-03552 SBA, 2012 WL 12953866, at *1 (N.D. Cal. Apr. 17, 2012) (noting that
14 the court had subject matter jurisdiction over the claims in the complaint to approve a
15 settlement); *Villegas v. The Pep Boys Manny Moe & Jack of Cal.*, 551 F. Supp. 2d 982, 993
16 (C.D. Cal. 2008) (denying a motion for approval of a settlement because the court lacked subject
17 matter jurisdiction). The parties have provided no caselaw or legal authority to the contrary to
18 support the proposition that the Court can approve a settlement without subject matter
19 jurisdiction. Consequently, the Court is unable to approve the joint settlement agreement. No
20 opinion is expressed about the settlement's merits. Per request, the matter is dismissed with
21 prejudice.

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1 **CONCLUSION**

2 IT IS HEREBY ORDERED that the Joint Motion for Approval of Settlement Agreement
3 and for Dismissal with Prejudice (ECF No. 160) is DENIED in part and GRANTED in part. This
4 matter is dismissed with prejudice.

5 IT IS FURTHER ORDERED that the Joint Motion to Seal (ECF No. 161) is DENIED as
6 moot.

7 IT IS SO ORDERED.

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9 Dated: This 11th day of March, 2019.

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13 ROBERT C. JONES
14 United States District Judge
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